

REMARKS

This responds to the Office Action dated July 25, 2006, and the references cited therewith.

No claims are amended, no claims are canceled, and no claims are added; as a result, claims 1-24 are now pending in this application.

§101 Rejection of the Claims

Claims 14-24 were rejected under 35 U.S.C. § 101 on the grounds that even though the claims recite functionally descriptive material (e.g. billing steps/procedures) this material is not tangibly embodied. This rejection is respectfully traversed. All of claims 14-24 recite receiving and/or recording data in a law firm accounting system. A law firm accounting system is unquestionably tangible, and data pertaining to real-world quantities such as “out-of-pocket costs” and “separate charges” are also tangible embodiments of data used in an every day, practical process involving servicing law firm clients and payment of out-of-pocket costs for such clients. Accordingly, this data is not merely abstract information disembodied from a tangible process or apparatus. More particularly, a law firm accounting system includes one or more computers and accounting software that is typically highly complex and unquestionably statutory subject matter. Further, claims 15, 16, 18 and 21 for example, provide for either generating or recording client invoices. Such client invoices are also undoubtedly real-world, tangible items, whether in paper or electronic form. Further, all the claims recite “financing” and “loan” activities related to the “separate charges.” This “financing” or “loans” provides further tangible actions that are fundamental financial transactions underpinning vast portions of the world economy employing millions of people, and therefore are not mere abstractions or intangibly embodied activities. Accordingly, claims 14-24 recited tangible, physical, subject matter and are clearly statutory under 35 U.S.C. Section 101.

§103 Rejection of the Claims

Claims 1-24 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Harry J. Maue (“How to Control Your Company’s Legal Costs”) in view of Walker (U.S. Patent No. 5,970,478).

1. (Original) Apparatus comprising one or more computers programmed to receive data indicative of a plurality of out-of-pocket costs for one or more clients of a law firm and to determine a separate charge in relation to each respective out-of-pocket cost wherein the charge is determined at least in part based on a cost associated with financing the out-of-pocket costs.

As noted by the examiner, Maue does note that law firms will bill clients for expense items. However, Maue actually makes no mention of costs incurred by a law firm in connection with a loan related to or financing of an out-of-pocket cost for a client, a limitation found in one form or another in each of the Applicant's pending claims. For example, claim 1 refers to "a plurality of out-of-pocket costs for one or more clients of a law firm and to determine a separate charge in relation to each respective out-of-pocket cost wherein the charge is determined at least in part based on a cost associated with financing the out-of-pocket costs", while claim 24 refers to "a plurality of out-of-pocket costs for one or more clients of a law firm and a corresponding plurality of separate charges in relation to at least some of each respective out-of-pocket cost wherein the charge is determined at least in part based on a cost associated with financing the out-of-pocket costs." Claim 8 refers to "a plurality of out-of-pocket costs for one or more clients of a law firm and to determine a separate charge in relation to each respective out-of-pocket cost wherein the charge is determined at least in part based on a cost associated with services related to a loan of funds to pay the out-of-pocket cost." These are just three examples of the reference each claim makes to such loans or financing of out-of-pocket costs for law firm clients.

In fact, Maue actually teaches that a client should limit and prohibit practices in relation to expense items incurred by a law firm. As such, the general approach and tone of Maue reasonably teaches away from the spirit of the claimed invention, wherein a "separate charge" is prepared in respect of an "out-of-pocket" cost, such that the "charge" is related to a cost of a loan or financing related to the "out-of-pocket". Claim 1, for example, requires "a separate charge in relation to each respective out-of-pocket cost." Limitations of a similar nature, but not identical or to be equated, are found in all of the other pending claims.

The examiner has also cited Walker (US Patent 5,970,478) for the subject matter absent from the teaching of Maue. First, the Applicant asserts that Maue literally teaches away from using the technology of Walker to even try to provide the claimed invention in any of its forms. Put another way, Maue does not provide any motivation for a law firm to find more efficient ways to pass along costs to clients – rather, Maue would suggest law firms should not try to pass along more costs that may upset a client trying to limit such charges per Maue’s suggestions.

Further, Walker itself makes no mention of using its teaching to charge clients of a law firm a “separate charge” in relation to an “out-of-pocket” cost. In fact, Walker makes no mention anywhere of the concept of billing a law firm client a “separate charge” that relates to the cost of funding, financing or a loan in relation to an “out-of-pocket” cost. All Walker suggests is that a credit card bill may be sent to a credit card customer and that the credit card company may charge a finance charge on the balance of the credit card. Moreover, Walker makes no mention of financing out-of-pocket costs for law firm clients, nor law firms, nor law firm clients, nor anything else that pertains to how law firms should deal with handling the out-of-pocket costs for law firms. As such, there is no motivation to look to Walker to create a system for billing clients in relation to out-of-pocket costs.

The use of Walker’s technology to obtain the operation claimed by the Applicant is not only not obvious, it is not really possible. If a law firm were to use a single credit card account to pay out-of-pocket expenses for clients such that the credit card company is a service provider or the party billing the law firm for the finance costs or loan of funds, the credit card of Walker would bill the law firm one bill that lists all costs funded with the credit card but with only a single finance charge that is undifferentiated between the expenses charged and carried on the card – and therefore NOT providing “separate charges” for each out-of-pocket expense as required by the claimed invention in all its forms in the pending claims.

In fact, the examiner has cited no art that teaches the idea that a credit card provider provides a “separate charge” specifying the finance charge related to individual card purchases, and no such technology is known to the Applicant at present. In point of fact, it is the Applicant’s disclosure that alone teaches this unique concept, particularly with respect to law firm’s handling of out-of-pocket costs, for which all claims are limited.

Further, if the teachings of Walker were combined with Maue, the result would not be billing law firm clients separate charges, but rather most likely not billing for any charges whatsoever as proposed by the Applicant, which would surely raise flags in Maue's view, but even still further were the approach of Walker to be used to fund client costs, the result would not be "separate charges" for each "out-of-pocket" expense funded using the credit card, but rather one single finance charge that is the cumulative for all out-of-pocket expenses incurred for a client in any given period, as is provided by Walker's approach for billing customers of a credit card company. More particularly, the following the text from Walker referred to by the Examiner in the office action (column 5, line 56 to column 6, line 6):

"FIG. 4 depicts a preferred set of parameters pertaining to each credit account. These parameters are stored in the parameter database 27a. When the customer selects the parameters in step S3 of FIG. 6, he selects from the available parameters. The preferred parameters include: the interest rate that is charged on unpaid balances; the time period of the interest rate, which is the amount of time for which the interest rate must remain fixed; the monthly minimum payment, which will typically be a percentage of the outstanding balance; the credit limit, which is the maximum amount of credit that the issuer will extend to the card holder; the grace period, which is a period following a purchase during which interest does not accrue; payment amnesty, which records the number of times a customer is permitted to skip a monthly payment which is inconvenient to pay; and a late fee, which is a fee that is charged when a customer does not pay his bill on time.

Parameter database 27a is preferably indexed by the account identifier, linking parameter database 27a with customer database 27b. Of course, the invention is not limited to the parameters described above, and alternative parameters may be used."

As can be readily appreciated, nothing in this text makes any reference to assessing "separate charges" in relation to financing or a loan used to pay or fund corresponding "out-of-

pocket costs” charged on the credit card. Again, this is found in the Applicant’s disclosure but not in the cited prior art.

Accordingly, the Section 103 rejection of the Applicant’s claims in view of the combination of Maue and Walker fails to set forth a *prima facie* showing of obviousness, and should be withdrawn.

Given the failure of the art cited, alone or in combination, to teach the claimed combination of the Applicant’s independent claims, the remaining pending claims dependent thereon are also believed free of the art for the same and addition reasons owing to the limitations they may add to those claims.

CONCLUSION

Applicant respectfully submits that the claims are in condition for allowance, and notification to that effect is earnestly requested. The Examiner is invited to telephone Applicant's attorney at (612) 373-6902 to facilitate prosecution of this application.

If necessary, please charge any additional fees or credit overpayment to Deposit Account No. 19-0743.

Respectfully submitted,

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11/25/2007

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CERTIFICATE UNDER 37 CFR 1.8: The undersigned hereby certifies that this correspondence is being filed using the USPTO's electronic filing system EFS-Web, and is addressed to: Mail Stop Amendment, Commissioner of Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on this 25 day of January 2007.

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